State of Alaska - Air Operating Permit Program
Owner Requested Limit

FACILITY IDENTIFICATION: **No. 739ORL02**

Owner/Operator:	ConocoPhillips Alaska Inc. (CPA)
Facility Name:	DS 3S Development Project
Facility Address:	North Slope of Alaska (See Latitude and Longitude Coordinates)
City, State, Zip:	North Slope, Alaska
Latitude/Longitude:	Latitude 70^0 23' 39.5" North / Longitude 150^0 11' 44.3" West (NAD 83)
Facility Contact:	Steve Arbelovsky / Randy Black
Phone Number:	(907) 659-7682

The above-named owner/operator has submitted a complete application for an owner-requested limit under 18 AAC 50.225(b) for the DS 3S Development Project. The Department grants an owner-requested limit to restrict the potential to emit of the facility to avoid the requirement for an operating permit under 18 AAC 50.325(b)(1) and to avoid the requirement for a construction permit under 18 AAC 50.300(c)(1). The Department certifies that the owner-requested limit is effective as of the date noted below.

In accordance with 18 AAC 50.225(f), the applicant has agreed to the conditions listed on the following pages.

The owner or operator may revise this limit under 18 AAC 50.225(h) by submitting a new request under 18 AAC 50.225(b). This limit remains in effect until the revision is approved. The owner or operator may terminate this limit according to the procedures of 18 AAC 50.225(h).

I understand and agree to the terms and conditions of this approval.

_____ _____
Owner or Operator Printed Name

Title: _____

This certifies that on _____, (date) the person named above appeared before me, a notary public

in _____ and for the State of _____, and signed the above statement in my presence.

Notary Signature & Seal _____

My commission expires: _____

Department approval:

_____ _____
John F. Kuterbach, Manager Owner Requested Limit Effective Date
Air Permits Program

CONDITIONS:

1. ConocoPhillipsAlaska (CPA) shall limit annual total volume of live crude oil collected in portable tanks to 7,515 bbls for all portable tanks combined.

2. CPA shall limit hours of operation on diesel to a combined total of 2,500 hours in any twelve calendar months for the rig camp IC engines.

3. CPA shall record the following information, when sending live crude oil to portable tanks, to monitor the venting of VOCs from the portable tanks.

    a) Date and time that venting began and ended;
    b) Event description (well name, type of activity, etc.);
    c) Description of fluids introduced to the tank(s);
    d) Volume of liquid accumulated in the tank(s);
    e) Estimated percentage of live crude oil in the total liquid volume;
    f) Estimated volume of gas vented
    g) Estimated tonnage of VOCs vented; and
    h) Operational comments and/or assumptions used for estimated volumes.

4. CPA shall record the monthly total live crude oil volume and VOC's vented beginning with the month when drilling operations begin. The volume of live crude oil transferred to the portable tanks shall be calculated as follows:

    a) For well kick-off fluids, CPA shall draw samples hourly of the fluid and centrifuge to determine crude fraction, or shall use a strapping tape with water sensitive paste to determine crude fraction in portable tanks after transfer is completed;
    b) For coil tubing clean-out fluids, CPA shall draw samples hourly of the fluid and centrifuge to determine crude fraction, or shall use a strapping tape with water sensitive paste to determine crude fraction in portable tanks after transfer is completed;
    c) For portable test separator fluids, CPA shall draw samples hourly of the fluid and centrifuge to determine crude fraction, or shall use a strapping tape with water sensitive paste to determine crude fraction in portable tanks after transfer is completed.

5. CPA shall record the monthly hours of operation of the drill rig camp engines that are burning AHF and determine the combined total hours of operation using a 12-month rolling total.

6. CPA shall annually report a summary of the monthly VOC emission levels from portable tanks, confirming compliance with the annual total volume of live crude oil limit of 7,515 barrels allowed to be collected in all portable tanks combined.

7. CPA shall annually provide a calculation of the predicted VOC gas composition for the next 12-month period. If the predicted VOC gas composition would result in emissions of VOCs from portable tanks of more than 35 tons per 12-month rolling total, then CPA shall request a lower rate of live crude oil to portable tanks in order to keep VOC emissions from portable tanks at or below 35 tons per 12-month rolling total.

8. CPA shall annually report the total hours of operation on AHF using a 12-month rolling total of the rig camp engines, confirming compliance with the 12-month rolling total limit of 2500 hours for the rig camp IC engines.

9. CPA shall keep copies of reports and certifications required by this approval.

10. CPA shall submit the annual compliance report by February 15 of each calendar year.

11. If any source in Table 1 below of this Owner Requested Limit is retained on site on a permanent basis after initial drilling is completed, the emissions from this equipment must be aggregated with the emissions from the Phillips Kuparuk CPF#3 facility and included in the source inventory in the Title V Permit for CPF#3.

Table 1 – Source Inventory Subject to Limits

ID	Source Name	Source Description	Rating/size (not enforceable)
Portable Tanks (estimated number)			
1	T-1	Produced Fluids	562 Barrels
2	T-2	Produced Fluids	562 Barrels
Rig Camp Engines (estimated number)			
3	RC-1	CAT 379 TA Generator	379 kw
4	RC-2	CAT 379 TA Generator	379 kw

ADEC Notification Form

Fax this form to: (907) 269-7508 Telephone: (907) 269-8888

Conoco Phillips Alaska
Company Name

Drill Site 3S Development Project
Facility Name

Reason for notification:

❑ **Excess Emissions**
If you checked this box
Fill out section 1

❑ **Other Deviation from Permit Condition**
If you checked this box
fill out section 2

When did you discover the Excess Emissions or Other Deviation:
Date:__/__/__ Time:__:__

Section 1. Excess Emissions

(a) Event Information (Use 24-hour clock):

	START Time:	**END** Time:	**Duration** (hr:min):
Date: _____	_____:_____	_____:_____	_____:_____
Date: _____	_____:_____	_____:_____	_____:_____
		Total:	_____:_____

(b) Cause of Event (Check all that apply):

❑ START UP ❑ UPSET CONDITION ❑ CONTROL EQUIPMENT
❑ SHUT DOWN ❑ SCHEDULED MAINTENANCE ❑ OTHER _____

Attach a detailed description of what happened, including the parameters or operating conditions exceeded.

(c) Sources Involved:

Identify each emission source involved in the event, using the same identification number and name as in the permit. List any control device or monitoring system affected by the event. Attach additional sheets as necessary.

Source ID No.	Source Name	Description	Control Device

(d) Emission Limit Potentially Exceeded

Identify each emission standard potentially exceeded during the event. Attach a list of ALL known or suspected injuries or health impacts. Identify what observation or data prompted this report. Attach additional sheets as necessary.

Permit Condition	Limit	Emissions Observed

(e) Excess Emission Reduction:

Attach a description of the measures taken to minimize and/or control emissions during the event.

(f) Corrective Actions:

Attach a description of corrective actions taken to restore the system to normal operation and to minimize or eliminate chances of a recurrence.

(g) Unavoidable Emissions:

Do you intend to assert that these excess emissions were unavoidable?

❑ YES ❑ NO

Do you intend to assert the affirmative defense of 18 AAC 50.235?

❑ YES ❑ NO

Section 2. Other Permit Deviations

(a) Sources Involved:

Identify each emission source involved in the event, using the same identification number and name as in the permit. List any control device or monitoring system affected by the event. Attach additional sheets as necessary.

Source ID No.	Source Name	Description	Control Device

(b) Permit Condition Deviation:

Identify each permit condition deviation or potential deviation. Attach additional sheets as necessary.

Permit Condition	Potential Deviation

(c) Corrective Actions:

Attach a description of actions taken to correct the deviation or potential deviation and to prevent recurrence.

Based on information and belief formed after reasonable inquiry, I certify that the statements and information in and attached to this document are true, accurate, and complete.

Printed Name:

Signature: Date